

**Council on Postsecondary Education
April 4, 2007**

Statewide Facilities Condition Assessment Report

On November 17, 2005, the Council issued a request for proposals (RFP) to conduct a statewide facilities condition assessment. Vanderweil Facility Advisors, Inc., (VFA) of Boston, Massachusetts, was selected as the prime contractor to implement the study. A contract with VFA was approved April 11, 2006. The cost of the project is \$1.8 million and is shared among the institutions and the Council. Representatives of Paulien & Associates and the National Center for Higher Education Management Systems (NCHEMS) will discuss the findings and recommendations of the report as a part of the VFA presentation to the Council.

Based on available funding, the Council and institutions contracted with VFA to complete a Level I assessment of education and general facilities for the postsecondary education system, i.e., not all institutional space is included in the study. Therefore, the study results cannot be applied beyond the specific group of facilities identified for the study. Paulien & Associates of Boulder, Colorado, completed a condition and fit-for-continued-use and space need analysis as part of the assessment. The review addresses a group of specific facilities regarding their fit-for-continued-use for the purpose that they were constructed or are currently being used and provides projections of space needed over the next 15 years. Dennis Jones, NCHEMS, provided an assessment of a 15-year financing strategy.

Following is a summary of the space assessed by the study.

	# of Facilities	GSF	% of Space
Postsecondary System Total	2,016	47,897,298	100
VFA Study – Total Assessed	736	29,940,339	62.5
Paulien & Associates – Adequacy & Fit-for-Continued-Use	141	10,038,067	21.0
<div>1. GSF is gross square feet. 2. Space not assessed includes auxiliary, housing, athletics, farms, parking garages, off-campus/ extended campus sites, and other public service facilities. 3. The Paulien study is a subset of the VFA, Inc., total space assessed.</div>			

The study's purpose was to address three critical capital infrastructure related questions:

Condition - What is needed to bring the condition of current facilities up to par?

Adequacy - How do we make sure the facilities fit their intended purposes?

Capacity - How much more space do we need between now and 2020 to succeed in reform?

What were the general findings?

Accepted "industry" Facilities Condition Index (FCI) standards indicate that an FCI less than 5 percent represents "good" condition, an FCI of 5 to 10 percent represents "fair" condition, and an FCI greater than 10 percent represents "poor" condition; thus, a lower score indicates a better building condition. Most of Kentucky's buildings are over 30 years old and their current condition is consistent with their age. Compared to the accepted industry standards, Kentucky's facilities are in poor condition with a current facility condition score of 22 percent; but if left unaddressed, it will be twice as high – 36 percent in five years compared to the average of 18 percent for other institutions reviewed by the consultant. Many of the systems in these aging buildings have exceeded useful life expectancies but now need attention. State investment will be needed over the next several years to improve the condition of existing space, to ensure enough new space is available for current and projected student enrollment, and to align existing space with modern educational standards.

What are some of the surrounding states doing to address the issue?

- *North Carolina* - Similar study estimated need for about \$7 billion over 10 years; state passed statewide \$3 billion bond issue in 2000 and also appropriated about an additional \$100 million to date. At the time of the N.C. study, the University of North Carolina had an FCI of 11 percent (poor).
- *Arkansas, Florida, and Georgia* - All have systematic reinvestment plans to address facilities upkeep and capital renewal (1.5 percent, 1.5 percent, and \$25 million annually, respectively).

How will the assessment results be used?

The report will be used to:

- Update the statewide facilities database that is maintained by the Finance and Administration Cabinet, Division of Facilities Management.
- Update the Council's comprehensive facilities database and the individual facilities databases of each institution.
- Form the primary basis for developing the postsecondary institution 2008-14 capital plans and biennial capital project requests.
- Present assessment findings and recommendations to the Capital Planning Advisory Board, the Capital Projects and Bond Oversight Committee, and other groups.

How were the institutions involved?

A kick-off and demonstration seminar was held May 10, 2006, at Kentucky State University. Invitations to attend the seminar were extended to each institution (three representatives), Capital Planning Advisory Board staff, Capital Projects and Bond Oversight Committee staff, Office of the State Budget Director staff, Finance and Administration Cabinet staff, Office of Facilities Management staff, and others.

Phase I of the project, VFA facility assessments, was completed in September 2006. Draft assessment reports (VFA only) were reviewed by institutions and the Council staff with comments provided to VFA in September and October 2006. The final draft report was provided by VFA in December 2006 with review and final comments by institutions and the Council forwarded to VFA in January 2007. The final report of the assessment is scheduled to be presented to the Council at its April 4, 2007, meeting.